

Consolidated Annual Performance and Evaluation Report (CAPER)
Program Year 2003-04
City of Scottsdale, Arizona

Section I. Narrative Statement Addressing the Following:

A. Assessment of Five Year Goals and Objectives

The City of Scottsdale receives Community Development Block Grant (CDBG) funds each year from the federal government through the U.S. Department of Housing and Urban Development (HUD). The City also receives HOME Investment Partnerships Program (HOME) funds through membership in the Maricopa HOME Consortium. The Consortium is the result of an intergovernmental agreement among Scottsdale, Maricopa County and six other entitlement cities in the Valley, with the exception of Phoenix. HOME funds must be used to increase the supply of decent, safe, and affordable housing. These programs must address objectives that have been identified in the five-year Consolidated Plan adopted in March of 2000 and developed through a process that involved citizens' input and opportunity for public comment. In addition, the City is allocated funds by HUD to operate the Section 8 Housing Choice Voucher program.

The activities funded during the period of this report (July 1, 2003 to June 30, 2004) are as follows:

2003/04 Annual Plan Allocations
CDBG and HOME Programs

CDBG PUBLIC SERVICES:

Agency Name	Project Name	Funding Allocation
Advocates for the Disabled	Disability Claim Service	\$10,000
Big Brothers Big Sisters	Mentoring Program	10,000
Boys and Girls Clubs	Operation Outreach Program	19,500
Central AZ Shelter Services	Men's Shelter Beds	11,100
Chrysalis Shelter	Shelter Services	27,000
Community Info. and Referral	CONTACS Hotline	10,000
Homeward Bound	Case Management/Employment Srvcs.	23,000
Save the Family	Case Management/Support Srvcs.	22,000
Scottsdale Foundation for the Handicapped	Employment Program	26,000
Tempe Community Action Agency	Senior Action Nutrition Program	39,000
Tempe Community Action Agency	Senior Peer Counseling	12,400
Sub-total		\$210,000

CDBG PUBLIC FACILITIES:

Agency Name	Project Name	Funding Allocation
Community Bridges	Transitional Redevelopment Ctr.	\$75,000
	Sub-total	\$75,000

CDBG HOUSING REHABILITATION:

Agency Name	Project Name	Funding Allocation
City of Scottsdale	Housing Rehabilitation Program	\$321,760
Foundation for Senior Living	Emergency Repair Program	175,000
Foundation for Senior Living	Major Housing Rehab Program	141,000
	Sub-total	\$637,760

CDBG HOUSING SERVICES:

Agency Name	Project Name	Funding Allocation
Community Services	First-Time Homebuyer Program	\$266,240
	Sub-total	\$266,240

CDBG PROGRAM ADMINISTRATION:

Agency Name	Project Name	Funding Allocation
City of Scottsdale Community Assistance Office	Administration of CDBG Program	\$280,000
	Sub-total	\$280,000

TOTAL CDBG: \$1,469,000

HOME AFFORDABLE HOUSING ACQUISITION/REHABILITATION:

Agency Name	Project Name	Funding Allocation
Community Services of Arizona	Acquisition/Rehab of Rental Units	\$300,000
	Sub-total	\$300,000

HOME PROGRAM ADMINISTRATION:

Agency Name	Project Name	Funding Allocation
City of Scottsdale Community Assistance Office	Administration of HOME Program	\$26,493
	Sub-total	\$26,493
Reprogram Funds	To Program Year 2004/05	\$97,399
	Sub-total	\$97,399

TOTAL HOME: \$423,892

The City of Scottsdale committed 15% of the CDBG allocation for Public Services, which is the maximum allowed under federal regulations. Non-profit agencies provided services to 3,889 youth, victims of domestic violence, homeless, persons seeking transitional housing, persons with disabilities, and seniors. Activities were funded which addressed all five of Scottsdale's goals for public services:

- *On a continuing basis strategically commit CDBG resources, leveraged with other locally committed public service dollars, for priority public service projects, inside and outside the corporate limits, with the highest level of funding consideration to agencies that best serve Scottsdale's priority needs; participate in local collaborative efforts with other service agencies; and demonstrate the ability to leverage federal funds with other funds secured by the service provider;*
- *Commit public service resources to meet the needs of Scottsdale's growing senior population;*
- *Commit public service resources designed to further the Continuum of Care for homeless persons in the community, and in the metropolitan region as a whole;*
- *Commit public service resources to meet the needs of Scottsdale's physically and/or mentally challenged population;*
- *Commit public service resources to meet the needs of Scottsdale's disadvantaged youth and families.*

Objectives for housing assistance to homeowners, renters, and persons in need of transitional housing were developed and submitted in the Maricopa HOME Consortium 2000 Consolidated Plan for the HOME program.

Scottsdale allocated \$637,760 in CDBG funds to Housing Rehabilitation services provided both by City staff and through contracts with a non-profit housing rehabilitation provider. Assistance was provided to 67 homeowners. The Consortium objective addressed through this allocation is stated as follows:

- *Foster the production of affordable housing for existing homeowners within the Maricopa Consortium.*

Scottsdale allocated \$75,000 in CDBG funds for Public Facilities, together with funding from other East Valley cities, for construction of a 24-unit Transitional Redevelopment Center for Women and Children at Risk for homeless pregnant/post partum women, along with their children, who have psychological and substance abuse issues. As of June 30, 2004, the project as a whole was 88% complete.

Scottsdale also allocated \$266,240 in CDBG funds for Housing Services for a First-Time Homebuyer Program that assisted 7 households to purchase homes. Housing counseling was provided to 50 additional first-time homebuyers.

All of the housing activities funded for the 2003/04 program year aided populations in need and met specific medium and high priority Consolidated Plan objectives identified

in Table II-1 of the Maricopa HOME Consortium Fiscal Year 2000-2004 Consolidated Plan. *For a copy of this Consolidated Plan, please contact the Maricopa County Community Development Department at (602)-240-2210.*

B. Affirmatively Furthering Fair Housing

The City has assigned responsibility for Fair Housing and Equal Opportunity (FHEO) and Americans with Disabilities Act (ADA) inquiries to one staff person as per federal regulations. The services of the Fair Housing/ADA Coordinator are highlighted in informational brochures that describe the services of the Citizen and Neighborhood Resources Department (CNR). City staff receives an average of 2-3 inquiries a month on Fair Housing issues. Staff also facilitates landlord and tenant outreach. Staff time equates to approximately \$3,970.

One provision included in the Scottsdale Housing Agency Administrative Plan is intended to streamline the Section 8 waiting list and have the effect of affirmatively furthering fair housing. The waiting list was reopened in November 2003 and accepted 561 applications. To the greatest extent possible under HUD's 75% rule, all the clients on the waiting list will be assisted before it is opened again. Currently, there are 491 on the list. The table below provides a current breakdown of wait list applications as of June 30, 2004:

Waiting List Recap by Voucher Size

	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm	5-6 Bdrm	Total
Elderly (62+)	70	3	3			76
Persons w/Disabilities	56	16	17	2	1	92
Families	78	123	101	17	2-2	323
Totals	204	142	121	19	5	491

Of the 491 applications, 346 (70%) are below 30% of median income and 145 (30%) are below 50% of median income.

Scottsdale's Section 8 clients are more racially diverse than the overall population as reflected in the City's demographics. The principle impediments to fair housing choice are those related to the supply of affordable housing. This year the City took affirmative steps to address those impediments. These actions are described in the following section.

The City of Scottsdale's Citizen and Neighborhood Resources Division is in the process of developing a report on the state of housing in Scottsdale. The report will highlight current and future market conditions and analyze what is happening to housing affordability. The *State of Housing in Scottsdale* report is scheduled to be completed this summer.

Based on review of key economic and demographic indicators, the City's housing needs are likely to increase substantially in the next several years. The City has taken the following actions to affirmatively further fair housing and will continue these actions:

- All written materials produced by the city to market our programs contain the fair housing insignia and advertises “equal housing opportunity”;
- The services offered by the Fair Housing/ADA Coordinator for the City are available at <http://www.scottsdaleaz.gov/accessible/default.asp>;
- Respond to Fair Housing complaints and inquiries, and educate the community about their rights;
- Enforce a set of accessibility guidelines, developed and adopted by the City as a standard of compliance with fair housing, for new construction and major renovation of multifamily housing units;
- Educate landlords of existing properties within the community about the increased need for affordable, accessible housing units and demonstrate how accessibility can be readily achievable in building modifications and policies, practices and services;
- Assist clients in need of housing through subsidized rental vouchers;
- Provide financial and technical assistance to homeowners to rehabilitate their homes and make emergency repairs for safe and sanitary living conditions;
- Provide funding to non-profit organizations to acquire affordable single-family homes for resale to first-time homebuyers.

In support of its efforts to affirmatively further Fair Housing Choice, the City remains active in attending Fair Housing training and workshop seminars on an ongoing basis. Information is compiled from several different sources, including communication with persons seeking Fair Housing assistance, concepts learned in training and informational seminars, and interaction with the community to contribute to a successful move toward affirmatively furthering Fair Housing.

Again this year the Scottsdale Housing Agency received Deconcentration Bonus Points to our SEMAP (Section 8 Management Assessment Program) score. PHA(s) (Public Housing Authorities) are awarded 5 additional points if 50% or more of all Section 8 families with children, assisted by the PHA in its principal operating area, reside in low poverty census tracts. As of June 30, 2004, 67% of Scottsdale’s Section 8 families with children reside in low poverty census tracts.

SUMMARY OF AI IMPEDIMENTS AND ACCOMPLISHMENTS (6/2004)

Name of Grantee: City of Scottsdale

IMPEDIMENT(S) TO BE ADDRESSED (list	GOALS (What do you hope to	STRATEGIES TO MEET THE GOALS (How will you	RESPONSIBLE ENTITIES ASSIGNED TO MEET GOALS	PROPOSED INVESTMENT (Amount of	2003/2004 ACTUAL INVESTMENT	2003/2004 ACCOMPLISHMENTS
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by degree of importance)	achieve?)	achieve your goals?)	(Identify the organizations who will be undertaking the impediment)	money) (Funding Source)		
Education	Fair Housing Education & Planning	Sponsor FH Workshop Conduct FH Workshops for tenants & landlords Invest in community resources & provide outreach materials Provide information to promote community involvement in FH issues	City of Scottsdale	\$2,000 (CDBG) \$1,500 (CDBG) \$1,000 (CDBG)	\$1,933 (CDBG) \$1,980 (CDBG) \$1,831 (CDBG)	Partnered w/City of Tempe & HUD Fair Housing "Fair Housing – Accessibility Issues (04/14/04) 2 Fair Housing/Landlord Outreach Workshops 500 Highlighters, Pens and Calculators with Fair Housing Logo and City of Scottsdale Fair Housing phone number
Zoning & Building Restrictions Availability of Accessible Housing	Update City ADA Transition Plan	Contract with professional ADA consultant Identify & prioritize accessibility barriers Suggest removal options of barriers Create & track modifications on ADA database Implement 504 accessibility compliance	City of Scottsdale			Site inspections and evaluations of City of Scottsdale facilities are complete. Final Draft of report due December 2004.
Treatment by & Attitude of Sellers	Protect rights of persons for FH opportunities	Provide TA on FH rights and referrals to file a complaint with AFHC, HUD & AG City staff to attend FH training & workshops Ensure FH practices conducted throughout jurisdiction	City of Scottsdale, Citizen & Neighborhood Resources	\$1,000 (CDBG)	\$634 (CDBG)	Provided TA to 29 citizens and made referrals to AFHC, HUD & AG.
Zoning & Building Restrictions	Solicit bids from MWBE for housing rehab projects	Contact all contractors including MBE/WBE	City of Scottsdale, Citizen & Neighborhood Resources			Housing Rehabilitation Coordinator contacts MBE/WBE/DBE contractors on all rehab bids.

C. Affordable Housing

The following tables describe the affordable housing activities that were undertaken by the City of Scottsdale during Program Year 2003/04; the funds that were utilized; and the

accomplishments that were achieved in reaching the goals and objectives identified in the Maricopa HOME Consortium Five Year Consolidated Plan.

- **Objective 1. Affordable Housing for Existing Homeowners**

Program Title	Activity Narrative	Target Group	Funding Source	PY 03/04 Funds Committed	Funds Expended in PY 03/04	Goals in 1-Year Action Plan	2003/04 Accomplishments
Scottsdale Housing Rehab	Provided financial assistance to homeowners to rehabilitate their homes.	Low/Mod Income Homeowners below 80% of median income	CDBG Balance of PY 2002/03	\$377,674	\$300,947	10 houses	18 houses
				\$321,760	\$24,471	10 houses	counted above
FSL Major Housing Rehab	Provided financial assistance to homeowners to rehabilitate their homes.	Low/Mod Income Homeowners below 80% of median income	CDBG	\$141,000	\$99,615	6 houses	4 houses
FSL Emergency Repair Program	Emergency homeowner repair services	Low/Mod Income Homeowners below 80% of median income	CDBG	\$175,000	\$122,395	50 houses	45 houses

- **Objective 2. Affordable Homeownership for New Homeowners**

Program Title	Activity Narrative	Target Group	Funding Source	PY 03/04 Funds Committed	Funds Expended in PY 03/04	Goals in 1-Year Action Plan	2003/04 Accomplishments
CSA-1 st Time Homebuyer Program	First-time homebuyers purchasing homes.	Low/Mod Income Homebuyers below 80% of median income.	CDBG	\$266,240	\$246,167	10 households	7 households

- **Objective 3. Affordable Rental Housing for All Household Types**

Project Title	Activity Narrative	Target Group	Funding Source	PY 03/04 Funds Committed	Funds Expended PY 03/04	Goals in 1-Year Action Plan	2003/04 Accomplishments
CSA Multi-Family Acquisition and Rehab	Acquire and rehab rental housing in Scottsdale.	Low Income Renters below 60% of median income.	HOME Balance of PY 2001/02, 2002/03	\$283,324	\$283,324	8 units	16 units
			Plus City General Fund	\$300,000	\$300,000	8 units	
				\$200,000	\$200,000		

Scottsdale's Affordable Housing Strategy:

The Housing Board worked diligently to complete "A Strategy for the Creation and Preservation of High Quality, Safe and Affordable Housing" to serve as a guide for future actions by the City to address affordable housing needs. This Strategy was unanimously

approved and adopted by a resolution of the City Council on July 6, 1999. In May 2001, Scottsdale hosted a Future Search Conference to identify solutions that would add housing choice opportunities for people who live and work in Scottsdale. In February 2002, the City held a Future Search Forum to bring together the participants from the conference and to revisit the plans of the Action Groups that were identified.

In addition to the Future Search Conference, the City conducted an internal reorganization of housing functions and staff to emphasize the City's commitment to improving neighborhoods. The new Citizen and Neighborhood Resources Department was created in fiscal year 2001/02 to preserve and enhance the health, character, integrity, and vitality of Scottsdale neighborhoods - a key goal set by the City Council in the fall of 2000. The new department combines neighborhood functions with the management of the City's housing rehabilitation programs and the development of affordable housing projects.

Section 8 Exception Rents:

The Housing Choice Voucher Program no longer allows housing agencies to apply for Section 8 Exception Rents over 110% of the payment standard. In order to maintain the existing payment standard, the Scottsdale Housing Agency has set this year's payment standard at 9.3% above of the Phoenix-Mesa-Scottsdale Metropolitan Statistical Area (MSA) Fair Market Rent.

Section 8 Homeownership Program:

In March 2004, the City Council approved and authorized the implementation of the Section 8 Homeownership Assistance Program. The Section 8 Home Ownership Assistance Program (HOAP) permits eligible participants in the City of Scottsdale Section 8 Housing Choice Voucher program the option of purchasing a home with their Section 8 assistance rather than renting. The program provides one of two types of homeownership assistance for a family: monthly homeownership assistance payments or a single down payment assistance grant. The Section 8 Homeownership Assistance program is provided under applicable regulations published in the Code of Federal Regulations (24CFR982).

Opt Out of Multi-Family Rental Property:

The City of Scottsdale coordinated an "opt-out" of an apartment complex that had housed low income families with a HUD assisted mortgage for many years. The property owners of the multi-family property, Viviendas Scottsdale, prepaid their HUD mortgage last year, thus *opting-out* of project based Section 8 assistance. As a result, the Scottsdale Housing Agency was awarded an additional 40 Housing Choice Vouchers by HUD to maintain the affordability of the property. Last year's action allowed the Scottsdale Housing Agency to coordinate with HUD to maintain the affordability of this multifamily property. The result was the opportunity for the existing tenants of the property, many of whom are elderly, to retain their rental assistance and choose to remain at their apartment complex, or take their voucher and move to other housing. Changing ownership of a multi-family property with a larger elderly population is often a source of

anxiety and stress for an elderly tenant. In this case, their previous form of rental assistance to the tenants was lost.

General Fund Commitment for Affordable Housing:

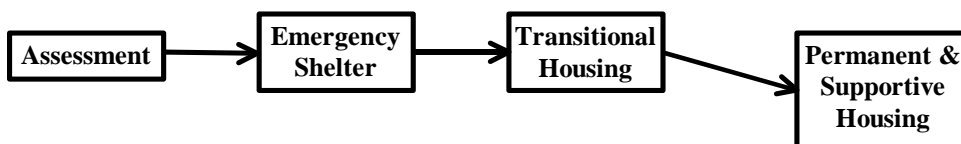
The City of Scottsdale has recognized the need to become more involved in financing affordable housing activities to match and/or leverage other federal, state and private resources. As part of that commitment, the Scottsdale City Council placed a \$100,000 annual allocation in the City's base budget specifically for affordable housing development or preservation. These funds were allocated toward the acquisition and rehabilitation of rental housing for fiscal year 2003/2004.

D. Continuum of Care

The Continuum of Care model for assisting homeless families and individuals to achieve self-sufficiency is based on the understanding that homelessness is not caused merely by a lack of shelter, but involves a variety of underlying unmet needs - physical, economic, and social. The most common hypothesis is that the best approach for alleviating homelessness is through a coordinated community-based process that provides a comprehensive response to the differing needs of homeless individuals and families.

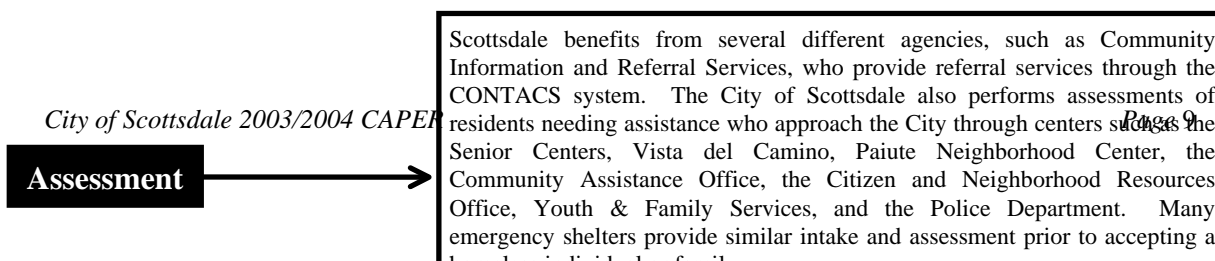
The fundamental components of a Continuum of Care system are:

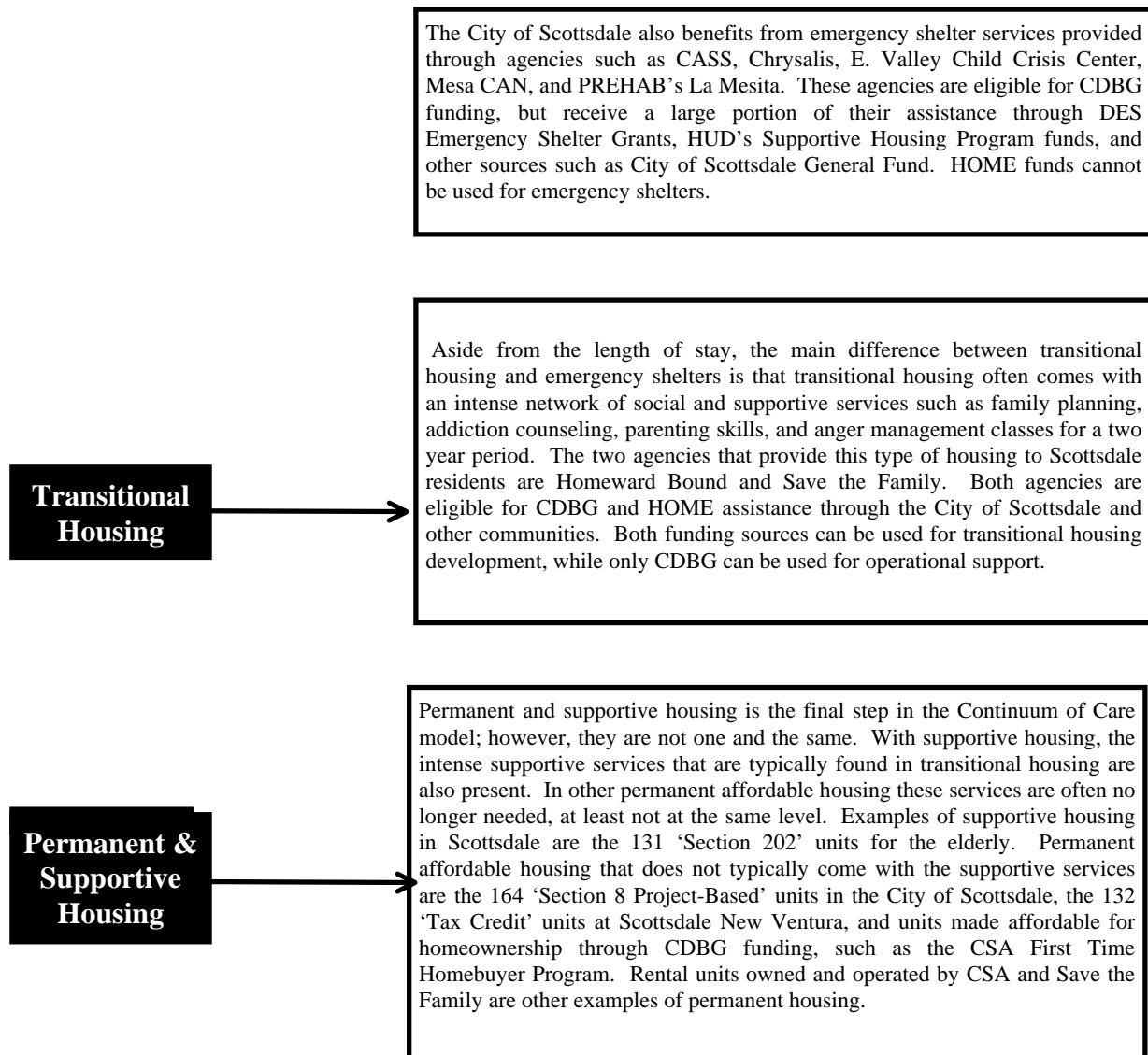
1. Outreach and assessment to identify an individual's or family's needs and connect them to facilities and services.
2. Immediate (emergency) shelter as a safe, decent alternative to the streets.
3. Transitional housing with appropriate supportive services, such as job training/placement, child care, substance abuse treatment, mental health services, and instruction in independent living skills.
4. Permanent housing or permanent supportive housing arrangements.



While not *all* homeless people will need access to each of these components, all four must be present and coordinated within a community in order for the Continuum of Care to be viable. A homelessness prevention strategy is considered a key to the success of the Continuum of Care. The Consolidated Plan's Special Needs statement on homelessness provides the foundation upon which the overall Continuum of Care is built.

Scottsdale's Continuum of Care





The following is an outline of funding received through CDBG, HOME, and the City's General Fund during program year 2003/04 to support homeless services throughout the Continuum of Care model:

Continuum of Care Stage	PY 2003/04 Activities
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<ul style="list-style-type: none"> • <u>Assessment</u> 	Assessment activities are not an eligible expense under the HOME program, and it is often difficult to meet the national objectives of the CDBG program. The regional CONTACS system for referring homeless individuals and families to available shelter beds received \$10,000 in CDBG funding through the City.
<ul style="list-style-type: none"> • <u>Emergency Shelter</u> 	\$27,000 in CDBG public service dollars and \$14,000 in General Fund dollars to Chrysalis Shelter for victims of domestic violence. \$11,100-CDBG and \$47,000-General Fund to Central AZ Shelter Services to provide improvements and support services; \$34,000-General Fund to Mesa CAN's East Valley Men's Center; and \$16,000-General Fund to PREHAB's La Mesita-A Family Shelter.
<ul style="list-style-type: none"> • <u>Transitional Housing</u> 	\$45,000 in CDBG public service dollars to Homeward Bound and Save the Family to provide support services; and 75,000 in CDBG public facilities funding to Community Bridges for construction of a Transitional Redevelopment Center for Women and Children at Risk.
<ul style="list-style-type: none"> • <u>Permanent & Supportive Housing</u> 	\$266,240 in CDBG funds to CSA for the First-Time Homebuyer Program.
<ul style="list-style-type: none"> • <u>HIV/AIDS</u> 	No activities specifically addressed HIV/AIDS this year.

In addition to funding sources, a member of the Scottsdale City Council, David Ortega, participated in the Maricopa Regional Continuum of Care Committee on Homelessness. Specifically Councilman Ortega's leadership in developing Continuum of Care Resolution #21 that urges the Legislature to assist local and regional efforts to provide ongoing and predictable support for regional contributions to the Continuum of Care program to bring homeless individuals to self-sufficiency. The City's Family Self Sufficiency Coordinator participated on the Maricopa Association of Government (MAG) Continuum of Care Ranking and Rating Committee to evaluate applications for the HUD McKinney-Vento Grant Program.

E. Other Actions

Under-Served Needs:

To address under-served needs, Scottsdale provided space and administrative support to Concerned Citizens for Community Health (a local non-profit) for their United Way-funded social worker to staff the Vista Paiute Job Preparation Program. This program provides case management and job readiness services to unemployed and underemployed Scottsdale residents. This fiscal year the Vista Paiute Job Prep program case managed 40 participants and graduated 9 of them. The 40 participants had an increase in earned income of over \$151,800. The graduates combined income at the start of the program was \$43,820; and the combined income at graduation was \$199,600, an increase of 355%.

Affordable Housing:

The City of Scottsdale implemented several progressive steps towards increasing the supply of affordable housing in the future, including adoption of an affordable housing strategy; the continuing General Fund allocation for affordable housing development;

funds for a Future Search Conference on Affordable Housing that resulted in Action Groups being formed to identify activities and projects that will provide affordable housing opportunities for people who live and work in Scottsdale.

In addition to using CDBG funds for direct homeownership assistance, the City also utilizes Individual Development and Empowerment Account (IDEA) funds and Family Self-Sufficiency (FSS) participant escrows to meet new affordable homeownership goals. This fiscal year four FSS participants graduated from the program. Three of the four used their earned escrow (a total of over \$36,500) to purchase their first home. One graduate leveraged an additional \$10,000 in IDEA funds through National Bank of Arizona for down payment assistance on a home.

Scottsdale's FSS program, in collaboration with the FSS programs of Mesa, Chandler, and Tempe, has developed the East Valley Alliance (EVA) Home Ownership Club to provide participants with financial literacy and home ownership workshops. This year the EVA Home Ownership Club hosted eight home ownership workshops, a graduation and award ceremony, and an all day conference for their participants. The EVA Home Ownership Club has received awards from AHADA and HUD's Phoenix Field Office for innovative and collaborative practices. Scottsdale also hosted eight HUD approved First Time Homebuyers' Workshops through Community Services of Arizona.

Barriers to Affordable Housing and Gaps in Institutional Structures:

Barriers to affordable housing were identified in Scottsdale's Strategy for the Creation and Preservation of High Quality, Safe and Affordable Housing, adopted by City Council in July 1999. Specific actions were identified in this report to address those barriers and to minimize their impact. This document is available for review at <http://www.scottsdaleaz.gov/Assistance/housing/hd.asp>.

Public Housing and Resident Initiatives:

Scottsdale has no public housing units and therefore no public housing tenants.

Lead-Based Paint:

Both the Housing Rehabilitation Program and the Section 8 Program address lead-based paint compliance through Housing Quality Standards (HQS) inspections. The new lead-based paint regulations were applied to housing rehabilitated after September 1, 2000. Scottsdale has two staff members certified for lead paint testing.

Compliance and Monitoring:

Monitoring subrecipients assures that recipients of federal funds for program activities comply with meeting program objectives as required under federal regulations. The intent and objective of the City of Scottsdale is to work cooperatively with all contractors and subrecipients in the use of federal funds within reasonable time constraints. Monitoring is an on-going process with technical assistance available throughout the implementation and completion of all activities undertaken. Desk reviews, telephone consultation and personal meetings, on-site visits, analysis of periodic reports, processing and tracking of

payment requests, and property inspections are utilized to monitor subrecipient agency activities.

As a participating member of the Maricopa HOME Consortium, the City agreed to follow the monitoring plan as defined in the Consortium Consolidated Plan. City staff actively participated in Consortium monitoring teams in FY 2003/2004. Staff conducted a formal monitoring of eight programs at six local subrecipient agencies: Community Services of Arizona (CSA), Boys and Girls Clubs, Chrysalis Shelter, Foundation for Senior Living, Scottsdale Foundation for the Handicapped, and Tempe Community Action Agency. The City of Scottsdale participated in a Consortium monitoring of the City of Tempe, as well as assisting the City of Peoria with a HOME monitoring of CSA.

The City of Scottsdale was monitored by Maricopa County in March 2004 for the HOME program it administers. Additionally, in March 2004, HUD performed a detailed monitoring of the City of Scottsdale's CDBG program.

Anti-Poverty Strategies:

The 2000 Census indicates there are 11,650 individuals living in poverty in Scottsdale, representing 5.8% of the community's total population. This compares to 5.9% of Scottsdale individuals living in poverty in 1990. Scottsdale's median income throughout all segments of the community increased faster than most areas of Maricopa County during the 1990's. One of the most significant ways that Scottsdale contributes to reducing poverty in our community is through economic development initiatives and provision of infrastructure for economic expansion. The City of Scottsdale, the Scottsdale Chamber of Commerce, and the Scottsdale Industrial Development Authority participate in economic development activities through retention and recruitment of businesses that attract new employment opportunities at higher income levels. All three entities also participate in small business incubator and related programs as well.

Scottsdale is committed to assisting citizens to become self-sufficient and welfare free by increasing wages through the Family Self-Sufficiency (FSS) program. A total of 47 FSS participants were provided case management, workshops in life skills, job training, counseling programs, and collaborations with local service agencies and educational institutions. Four participants graduated from the program and four participants left the program or moved to a different housing jurisdiction. Of the 39 participants presently on the program, 44% have enrolled in school. As of June 2004 the 39 participants had over \$80,000 accumulated in escrow.

Scottsdale also houses a One Stop Career Center, located at the City's CAP office at Vista del Camino, where 48 individuals acquired new skills by attending resume and job readiness workshops. There were 3,133 walk-in clients, a 9% increase over last fiscal year.

The Earned Income Tax Credit (EITC) is a federal program that provides cash refund to low-income working families and individuals. Scottsdale promoted the EITC program through the following channels:

1. A resolution adopted by the Scottsdale Human Services Commission
2. Newsletters to 600 Section 8 households
3. Message on pay stubs and the employee newsletter to 2000 city employees
4. Mailings to 200 neighborhood associations
5. Water bill newsletter to 75,000 households
6. Informational packets to 50 non-profit organizations
7. Mailing to 120 faith leaders
8. Distribution list to 200 members of a local community collaborative
9. 1000 flyers to community centers, libraries, neighborhood service centers, and city customer service counters
10. Recording on the City “on-hold” line
11. Show on the local cable station

The City of Scottsdale Human Services staff participated on the Maricopa Association of Government Human Services Technical Committee and the Governor’s EITC Task Force to gather information and promote the EITC campaign.

F. Leveraging Resources

Scottsdale has an active tradition of working in partnership with non-profit service providers to bring resources and services to low and moderate-income residents. This program year Scottsdale citizens contributed \$190,000 to *Scottsdale Cares* by paying an extra dollar in their City utility bill. These funds provided for 18 public service programs. The City also granted \$180,000 from the General Fund for nine public service programs. Services were provided to children, teens, elderly, families, victims of domestic violence, persons with disabilities, persons with AIDS, and homeless persons.

Scottsdale licenses the use of space in community centers to secure the additional services of “brokerage agencies”. The “brokerage” of rooms, utilities, maintenance, and storage is done at no cost to the service providers, with the agreement that they provide services at the City facilities. Consequently, residents who need human services can receive these services in one place, and the family as a whole can participate in several programs. The availability of brokerage services in community centers expands the types of services and amount of services that residents may access for their needs. For fiscal year 2003/04, 34 agencies utilized the brokerage concept equating to \$349,975 in total annual support by the City.

Also during program year 2003/04, the City of Scottsdale allocated \$100,000 from the General Fund budget for affordable housing development to be used in leveraging other public and private sources of funds.

Scottsdale’s CDBG entitlement for program year 2003/04 was \$1,400,000, plus reprogrammed funds in the amount of \$69,000, totaled \$1,469,000. The amounts funded and expended during the program year are included in the attachment *Activity Summary Report*.

G. Citizen Comments

The Public Notice of the availability to review this CAPER was published in the local newspaper on September 7, 2004. Citizens were given fifteen days to comment. The Affidavit of Publication is included in the Attachments.

H. Self-Evaluation

Performance during the year has been very good. Some positive indicators are:

1. Securing and allocating a fifth year \$100,000 General Fund allocation for affordable housing;
2. Continued success in the Single Family Housing Rehabilitation and First Time Homebuyer programs, including three homebuyers from the Family Self Sufficiency program;
3. Administering the expenditure of significant federal housing resources in compliance with the regulations;
4. Exceeded HUD's priority on the timely expenditure of CDBG funds;
5. Partnering with other Maricopa County agencies in the review and allocation of Continuum of Care funding for the homeless, including participation in the regional Steering Committee, as well as the Proposal Ranking and Rating Committee;
6. Successfully training both new and existing staff on CDBG, HOME, Environmental Review, Lead-Based Paint, Section 8, ADA, Affirmatively Furthering Fair Housing, and Housing Finance.

The challenges during the year and the actions taken to address these are as follows:

1. The First-Time Homebuyer program's agreement was extended to September 30, 2004, to allow for one more first-time homebuyer to purchase a home and for the remaining funds to be expended.
2. The Major Housing Rehab program administered by a non-profit was granted an extension to September 30, 2004, to allow for two more homeowners to be assisted.

Section II. Community Development Block Grant (CDBG) Entitlement Funds Narrative Statement Addressing the Following:

A. Assessment of Use of Funds

The assessment on the use of 2003/04 CDBG funds to meet the five-year Consolidated Plan objectives are addressed in Section I.A. Short-term objectives for the CDBG program were described in the 2003/04 Annual Action Plan for CDBG. For a copy of the Annual Action Plan document, please contact the Scottsdale Community Assistance Office at (480)312-7647.

The activities funded from the CDBG program for 2003/04 corresponded directly to activities budgeted in the Annual Action Plan. All agencies that contract to provide

services do so on a reimbursement basis. Funds are disbursed after the services have been provided. Performance in all activities was generally at or above the goals proposed in the CDBG Annual Action Plan. A wide variety of public service activities benefited 3,889 low and moderate-income residents. Housing rehabilitation activities assisted 67 households. Additionally, the First Time Homebuyer program assisted 7 homeowners to purchase homes.

B. Nature and Reasons for Changes in Program Objectives

The City of Scottsdale strives to prepare a comprehensive annual plan for its CDBG activities; however, in certain circumstances it is necessary to revise our program objectives for a particular year. No projects were added or deleted in FY 2003/2004. Other CDBG projects were either completed or in some other stage of progress. (Refer to A. Assessment of Use of Funds above, for further detail.) There were no activities added or substantial changes made in the City's overall CDBG goals for FY 2003/2004.

C. Assessment of Performance on Consolidated Plan

Based on all available information, the City of Scottsdale can certify that it is administering the CDBG program in compliance with its Consolidated Plan and the rules, regulations, and certifications required by the Department of Housing and Urban Development of its grantees.

No actions were taken to limit the implementation of the Consolidation Plan within the available CDBG resources.

D. National Objectives

With the exception of administrative expenses, all of the CDBG expenditures benefited low and moderate-income persons. There were no expenditures for slum and blight removal, urgent community development needs, or for ineligible activities.

E. Actions Impacting Occupied Real Property

All owner occupied rehabilitation contracts were written to allow the homeowner to remain in the property while the rehabilitation work was underway. Contracts included appropriate notices and cautions for work with lead-based paint. Rehabilitation with the occupant in place does create some inconvenience for both the client and the contractor; however, with the level of work being undertaken, the City has determined that the inconvenience of remaining in place is comparable to the inconvenience of moving.

F. Economic Development Activities

There were no CDBG funded economic development activities funded during the program year.

G. Limited Clientele

All activities that did not benefit a presumed benefit/limited clientele required applications that included information about household income.

H. Program Income

Program income was received in the amount of \$32,866.

I. Rehabilitation Activities

Housing rehabilitation is a critical resource for the preservation of Scottsdale's older residential neighborhoods. Traditionally, housing rehab has been very well received in the community. The program improves living conditions for the specific homeowners, as well as maintaining the viability of older established neighborhoods. From July 2003 through June 2004, there were 46 applicants on the wait list. Of these applicants, 21 were either assisted or removed from the wait list. On June 30, 2004 there were 25 on the wait list.

Single family, owner-occupied properties were assisted under two programs. The City's program involved complete rehabilitation to Property Rehabilitation Standards (which exceed Housing Quality Standards). The City's in-house Housing Rehabilitation program coordinated the rehabilitation of 18 homes. The parallel program provided by the Foundation for Senior Living assisted with the rehabilitation of 4 additional homes. The City also contracted with the Foundation for Senior Living to provide emergency home repair assistance to address failed items that impact on the livability of the home (e.g. leaking roofs, inoperable heating and cooling systems, and leaking plumbing); to respond to code complaints where a citation has been issued; and to make modifications to provide accommodations for persons with disabilities. The Emergency Repair program assisted 45 homeowners with various requests for assistance.

J. HUD Approved Special Designations

Scottsdale has not applied for special designations for Neighborhood Revitalization Strategy Areas or Enterprise Zones.

Section III. HOME Funds Narrative Information:

A. Consolidated Plan Accomplishments

HOME funds for the 2003/04 Program Year, plus remaining funds from previous years, were allocated to a non-profit agency for the acquisition and rehabilitation of 16 units of rental housing.

B. Match Report

Amount of match included in the Maricopa HOME Consortium CAPER.

C. MBE/WBE Report

The form HUD-40107 included in the Maricopa HOME Consortium CAPER.

D. On-site Inspection Results

None this program year.

Section IV. HOPWA Funds:

The City of Scottsdale does not receive Housing Opportunities for Persons with AIDS (HOPWA) funds.

Section V. ESG Funds:

The City of Scottsdale does not receive Emergency Shelter Grant (ESG) funds.

Section VI. Public Participation Requirements:

Public participation is constant and year round for the CDBG and HOME programs. The City's Human Services Commission is responsible for public review and comment for the CDBG program. The commission holds several public meetings during the application process, including the meetings each year where applicants for CDBG public service funds are invited to present their applications and respond to questions. The Commission invites a member of the City's Housing Board to participate in the review process for CDBG applications. The Housing Board is responsible for public review and comment for the CDBG Housing Related activities, and for the HOME program. Each year applicants for CDBG Housing Related activities and HOME funds are invited to present their applications and respond to questions from the Housing Board members. The Housing Board's recommendations for funding are then presented to the Human Services Commission.

This process begins in October with an orientation meeting for potential applicants, and culminates in April when the Commission formally presents its funding recommendations to the City Council. During the remainder of the year the Commission invites particular agencies, including beneficiaries of programs funded by grants and local funds, to present status reports at their meetings.

The Community Assistance Office actively seeks client feedback through a stamped, self-addressed ***How Did We Do*** survey that is available at the front desk and from all staff. Feedback from the survey is frequent and generally positive. Numerous letters of appreciation from the clients of the Section 8 program have been received.

This CAPER Narrative, along with the Activity Summary Report, was made available for public review on September 8, 2004, at the Community Assistance Office, the Scottsdale Public Libraries, and the Citizen Service Centers. Notice of the availability of the CAPER was published on September 7, 2004, in the *Scottsdale Tribune*. These documents are also available in other formats. This CAPER Narrative, without attachments, is posted on the City's web page at <http://www.scottsdaleaz.gov> at Departments/Human Services/Community Assistance.